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January 7, 2019

VIA EMAIL

The Honorable Stuart M. Bernstein
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: Picard v. Shapiro
Adv. Pro. No. 10-05383

Dear Judge Bernstein:

Pursuant to Rule 9076-1 of the Local Bankruptcy Rules for the Southern District of New York, Defendant Stanley Shapiro and the other defendants named in the instant proceeding (collectively, "Defendants") and Plaintiff Irving Picard, as Trustee for the Substantively Consolidated SIPA Liquidation of Bernard L. Madoff Investment Securities LLC and the Chapter 7 Estate of Bernard L. Madoff ("Plaintiff", and together with Defendants, the "Parties") hereby ask this Court to schedule a status conference to discuss the current case management order. In support thereof, the Parties submit as follows:

Over the last four months, the Parties have engaged in discovery and made considerable progress. On August 20, 2018, the Trustee made his eleventh and final production of documents to Defendants pursuant to their discovery requests in this matter. Across all eleven productions, Defendants have determined that the Trustee produced 30,711 documents containing 802,482 pages.

The processing and review of these productions has been a considerable undertaking for Defendants. Defendants' counsel contracted with a document vendor and engaged a team of over a dozen attorneys to review and process the documents received from the Trustee, which involved hundreds of man-hours. The second level review of these documents by Defendants' counsel is still ongoing.

Armed with the Trustee's production and the information contained therein, Defendants have engaged in searches for and reviews of the documents hosted in the Baker Hostetler Data Room, which houses roughly 4,077,400 documents related to the Madoff dispute. Since the conclusion of the Trustee's production, Defendants have made nine requests for documents from the Data Room. Defendants calculate that they have received 6,015 documents, containing

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1,561,082 pages, in response to these requests. Defendants engaged a second review team to conduct a first level review of these documents, as well.

The Trustee's Initial Disclosures in this case identified over 80 individuals with varying degrees of knowledge of the operation and organization of BLMIS and in his Restated Initial and Supplemental Disclosures, the Trustee identified a smaller number of fact witness whom the Trustee may call at trial in this case. Based on a review of these disclosures and the discovery produced thus far, Defendants believe roughly two dozen of the individuals listed may have information related to this adversary proceeding. Defendants are currently attempting to narrow the potential pool of witnesses to best and most efficiently conduct any necessary depositions.

In addition to Defendants' review of these documents, the Trustee has taken three separate depositions. Although the Parties had planned on Mr. Shapiro being deposed in early December, his deposition was rescheduled due for medical reasons. The depositions have raised additional discovery questions which the Parties are currently collaborating to resolve including Defendants producing additional documents to the Trustee.

Given the amount of discovery undertaken in this matter and the need to complete the review prior to taking depositions, the Parties believe an extension of the discovery deadlines set in the Fifth Amendment to the Case Management Plan, entered September 12, 2018, is necessary. Doc. 113.

Accordingly, the Parties respectfully request that a status conference be scheduled to establish a new case management plan at the Court's earliest convenience. Should you have any questions, please do not hesitate to call our office.

Respectfully,

/s/ Barry R. Lax
Lax & Neville LLP

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